



*State of New Jersey*

**DEPARTMENT OF HEALTH AND SENIOR SERVICES**

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JON S. CORZINE  
*Governor*

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HEATHER HOWARD  
*Commissioner*

September 11, 2009

David Blumenthal MD, MPP  
National Coordinator for Health Information Technology  
Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201

Re: Funding Opportunity Title: American Recovery and Reinvestment Act of 2009, State Grants to Promote Health Information Technology Planning and Implementation Projects

Funding Opportunity Number: **EP-HIT-09-001**

Catalog of Federal Domestic Assistance (CFDA) Number: **93.719**

DUNS #: **15-413-0199**

Project Name: New Jersey Health Information Exchange Program

Dear Dr. Blumenthal:

On behalf of The State of New Jersey, pursuant to the American Recovery and Reinvestment Act, please accept this Letter of Intent that is being filed by the Department of Health and Senior Services and the Department of Banking and Insurance. The State is eager to join with you in the national commitment to improve care coordination, health-care outcomes and increased efficiency through the provision of actionable, real-time clinical data. We appreciate the opportunity to be a part of ONC's Health Information Exchange Cooperative Agreement Program and submit this Letter of Intent to formally acknowledge our desire for participation. In conformance with your guidelines, our statewide project will include the most comprehensive, promising, complete and clinically meaningful health information exchange initiatives—as well as a plan to create a fully self-supporting statewide exchange—in a “New Jersey Health Information Exchange Program.”

**Background:**

New Jersey has been strengthening its HIT and HIE capacity across a number of venues over the course of several years. We have been very active in this field since 1993, when we conducted our landmark New Jersey Health Information Network Technology Study about the savings that could be realized by introducing electronic health care administrative simplification systems to the payment of claims process. In 1999, New Jersey enacted “The Health Information Electronic

Data Interchange Technology Act” (HINT), in which this State used its regulatory authority over health care payers to advance the electronic submission and payment of health care claims. HINT allowed New Jersey to link the filing of HIPAA compliant electronic transaction and Codes Sets (TCSs) with the prompt payment of clean claims thereby requiring providers to file electronic claims. As a result, this State was a very early implementer (October 2003) of the HIPAA TCS electronic administrative simplification requirements.

On January 12, 2006, the HINT law was amended in which New Jersey committed itself to the development and implementation of electronic health records and directed all departments to cooperate in adopting the necessary rules and regulations to advance health IT. On January 13, 2008, Governor Jon S. Corzine signed the “New Jersey Health Information Technology Act” which established the New Jersey Health Information Technology Commission and the Office for the Development, Implementation and Deployment of Electronic Health Information Technology (Office of e-HIT). The Commission and the Office have spent the better part of 2009 working on plans and priority lists in anticipation of ONC’s requirements and the opportunities extended through the Recovery Act. These two entities, together with the statutory and regulatory authority described in the previously mentioned laws, have given New Jersey a legal and institutional framework that is ideally suited to achieve all the goals established in the Recovery Act and ONC’s guidelines.

Moreover, New Jersey has been a major and leading participant in the Health Information Security and Privacy Collaboration (HISPC) since its inception in January 2006. Through all four HISPC contracts, New Jersey has striven to confront and resolve intra- and inter-state barriers to interoperable electronic health record exchanges and to develop electronic networks that will promote patient-centered health care coordination. These collaborative projects have resulted in a close and cooperative relationship with all the leader members of the nationwide movement to promote interoperable electronic health records. As a member of the National HISPC Steering Committee, New Jersey was a significant thought leader in resolving many important health IT issues and barriers.

Additionally, New Jersey has also been very active in the regional development of electronic exchanges of Immunization Registry data with Pennsylvania and New York City and State. As an active and committed member of the Forum of the State Level Health Information Exchange, New Jersey plays an instrumental role in the development of mechanism essential to interoperable health IT.

To that end, New Jersey intends to submit the “Strategic Plan” and “Operational Plan” portions of the State Plan, according to ONC’s definition and guidelines, along with the application for the Cooperative Agreement Program on October 16. It should be noted that the state’s implementation plan will also be “consistent with and complementary to the Medicaid and Medicare plans for the implementation of meaningful use incentives.” Furthermore, the technical and infrastructure expenditures made through the New Jersey Medicaid office, as part of ARRA, will ensure comprehensive integration.



The State government does not intend to apply to be a Regional Center, but the State's plans will closely integrate any Regional Centers that are created in New Jersey or in surrounding states through that sister program.

**Point of Contact and Key Personnel:**

As noted above, the NJ HIT Act created the Office of e-HIT Development and the multi-stakeholder New Jersey Health Information Technology Commission (Health IT Commission) to jointly develop and publish a statewide HIT implementation plan. The State Coordinator for the Office of e-HIT, Bill O'Byrne, and the Executive Director of the Health IT Commission, currently lead a multi-departmental Health IT planning team first convened by the Governor's Office just after the passage of the Recovery Act. Their contact information is as follows:

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Executive Director  
Health Information Technology Commission  
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New Jersey's Department of Human Services, the state's Medicaid agency, are also key leaders of the multi-departmental planning team. New Jersey's Medicaid program has been executing a Medicaid Transformation Grant, and we are working closely to maximize the contribution of Medicaid's health IT advancement to the state's health IT plan. The main contact at our Medicaid program is Michele Romeo, Chief Information Officer, Division of Medical Assistance & Health Services (DMAHS), Department of Human Services, [michele.romeo@dhs.state.nj.us](mailto:michele.romeo@dhs.state.nj.us). Other key personnel include:

- Eliot Fishman, Director of Policy, New Jersey Department of Health and Senior Services; [eliot.fishman@doh.state.nj.us](mailto:eliot.fishman@doh.state.nj.us)
- Mark Hopkins, Executive Director, New Jersey Health Care Facilities Financing Authority (HCFFA) [mhopkins@njhcffa.com](mailto:mhopkins@njhcffa.com)

**Stakeholders:**

Planning parameters supporting a statewide implementation approach include the following:

- The sponsorship of New Jersey Hospital Association (NJHA) and its statewide constituency, as well as other organizations representing the interests of hospitals and health-care facilities in the State.
- The sponsorship of Horizon Blue Cross and its statewide membership base; other health insurance companies operating in New Jersey; the State Health Benefits Plan; and the New Jersey Association of Health Plans.
- The active and full support of the State of New Jersey and its Legislature including all of its agencies, e.g. Department of Banking and Insurance (DOBI), Department of Health

and Senior Services (DHSS), Department of Human Services (DHS), Department of Children and Families (DCF) and the Office of Information Technology (OIT).

- Other key health-care provider stakeholder groups, such as the New Jersey Primary Care Association, the New Jersey Academy of Family Physicians, the Medical Society of New Jersey, and NJ Physicians.
- All other partners in the HISPC project.

#### **Progress in Domains:**

##### **➤ Legal and policy HIE capacity:**

- New Jersey has been and continues to be a leader in the HISPC Inter Organizational Agreements Collaborative, which has created national uniform data-share agreements for the electronic exchange of protected health information in public-to-public networks, public-to-private networks and private-to-private networks. These agreements have been disseminated for use by trading partners throughout New Jersey.
- More than two years ago, the New Jersey Hospital Association with the support of all major stakeholders developed a state health information network governance plan which can be used as the basis of a more comprehensive model which will integrate the subsequent work of various regional health information exchanges that have or are being formed throughout New Jersey.
- As an active member of HISPC and the SLHIE, New Jersey has an ongoing Legal Working Group of attorneys that continue to work on various HIPAA and State Privacy and Security Requirements.

- ##### **➤ Governance capacity:**
- New Jersey has a well-balanced and robust state-level legal and regulatory capacity to forge the creation and development of a completely self-sufficient statewide health information network. We have established partnerships with the New Jersey Hospital Association (NJHA) and Horizon Blue Cross, the largest commercial provider, and many other key stakeholders, and are confident that we will establish a broad-based governance structure. New Jersey has internal government structures that will allow us to act swiftly and effectively to excel in the governance capacity of this project: DHSS has regulatory authority over hospitals, long-term care facilities, and ambulatory care centers, as well as all the registries that function within the Epidemiology and Communicable Disease Networks. DHS manages New Jersey Medicaid and our behavioral-health and psychiatric-care facilities. DOBI has direct regulatory authority to adopt the necessary administrative rules necessary to facilitate and fund the statewide health IT network. The Health IT Commission includes memberships from all three of these departments, as well as stakeholders from around the State's health-care industry. The three departments work in consort pursuant to the NJ HIT ACT and are also supported by the State's Office of Information Technology, Department of Children and Family Services and the Attorney General's Professional Boards. Lastly, the oversight of the exchange will be overseen by a Board of Directors whose composition is expected to be 9-13 members comprised of a varied constituencies involved in the delivery and use of healthcare services in New Jersey;



including: payers, physicians and other providers, employers, medical schools, patients/consumers.

- **Business and Technical Operations capacity:** New Jersey's government, including all relevant Departments and Agencies, are vigorously committed to the use of information technology to support all levels of electronic information exchange including procurement, project management, systems maintenance, program evaluation, change controls and updates, reporting and the use of Departmental rule-making authority to achieve the goals and purposes of state and federal laws and policy.
- **Technical Infrastructure capacity:** New Jersey proposes to develop the health information exchange infrastructure in a way that safeguards privacy, leverages both bottom-up and top-down strategies, is incremental in nature, and is based on a hybrid federated model, with an internet-based, interoperable, statewide "network of networks" to be linked with the NHIN and adhere to the highest federal and state privacy and security requirements.
- **Finance capacity:** New Jersey, as a member of SLHIE's forum and the NGA State Health IT Alliance, has a firm understanding and plan for the development of a completely self-sufficient and self-supporting state wide interoperable network. NJ HIT Act requires the creation of a self-supporting network based on plans developed by the NJ Office for Health Information Technology Development and approved by the HITC. This network will be funded in accordance with administrative rules promulgated and adopted by NJ DOBI. While specific details remain confidential, at the appropriate time administrative rules will be proposed and opened for comment and suggestions by the public. The cornerstone of our plans will spread the costs over the entire health care industry including payers, plans, consumers and all other stakeholders.

**Benefit to the Public Interest:**

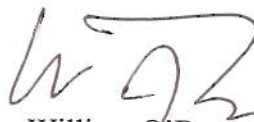
New Jersey's vision for statewide health information exchange is first and foremost grounded in the belief that HIE will improve the health and wellness of New Jersey's citizens while enhancing the efficiency of care delivery. The use of nationally recognized standards and best practices, deployment of robust privacy and security practices, adequate education and outreach efforts, and a focus on allowing consumers to access their health data through personal health records will enable the overarching strategy that will lead to our collective success in New Jersey. In the future, New Jersey believes the benefits and opportunities associated with the HIE will grow, leading to improved public health surveillance and more efficient public health research opportunities.

We look forward to working with ONC officials in the execution of these plans and our proposed implementation projects.

Sincerely,



Jed Seltzer  
Executive Director  
NJ Health IT Commission



William O'Byrne  
State Coordinator  
NJ Office of e-HIT